GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:4771
ANSWERED ON:24.08.2001
GRANTS TO EPC
RAMJI MANJHI

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether CAG has pointed out several irregularities in making payment of Market Development Assistance grants to Export Promotion Councils as reported in the Economic Times of August 12, 2001 under the captioned `Commerce department faces CAG fire over EPC grants`;

(b) if so, the facts in this regard;

(c) the reasons for releasing grants to the tune of Rs.36.89 crore to 17 ineligible Export Promotion Councils (EPCs); and

(d) the measures taken by the Government to remove the irregularities pointed out by the CAG?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH)

(a) Yes, Sir.

(b) to (d) Principal Director of Audit, Economic & Service Ministries in draft review on Marketing Development Assistance(MDA) in audit observations for comments had, inter alia, pointed out that Rs.36.89 crore was released to 17 Export Promotion Councils(EPCs) though they were not eligible to get the grant.The position was clarified to the Principal Director of Audit intimating therein that the MDA grants to the EPCs had been released as per the policy decided by the Government from time to time, and that release of Rs.36.89 crore to the 17 EPCs was made with the approval of the competent authority as per the guidelines of the Marketing Development Assistance Scheme. However, the CAG in its Report No. 2 of 2001 (Civil) submitted recently, has reiterated their observations and these are being re-examined for further action.